

Message Text

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60

ORIGIN AF-06

INFO OCT-01 ISO-00 L-02 MC-02 PM-03 EB-07 DODE-00 TRSE-00

COME-00 ACDA-05 CIAE-00 H-02 INR-07 NSAE-00 NSC-05

PA-01 PRS-01 SP-02 SS-15 USIA-06 AID-05 /070 R

DRAFTED BY AF/S:DPNCHRISTENSEN:LOF; OASD/ISA:J

APPROVED BY AF/S - WPONEILL

AF - JWFOLEY

AF/I - JACOYKENDALL

L/AF - CSCHMITZ

PM/MC - BFEMINELLA

DOD/OASD/ISA - GBADER

EB/EWT - SGOODMAN

----- 092103

R 080210Z MAR 75

FM SECSTATE WASHDC

TO AMEMBASSY PRETORIA

INFO AMCONSUL CAPE TOWN

AMCONSUL DURBAN

AMCONSUL JOHANNESBURG

C O N F I D E N T I A L STATE 052671

E.O. 11652: GDS

TAGS: ESTC, SF

SUBJECT: ARMS EMBARGO: SALE OF 300 TELEDYNE ENGINES TO
SOUTH AFRICAN FIRM

CAPE TOWN FOR EMBASSY

REFERENCES: (A) PRETORIA 267; (B) USDAO PRETORIA 0363

--- SEPT 74; (C) STATE 207595; (D) PRETORIA 3818;

--- (E) USDAO PRETORIA IR NO. 6 880 0217 74

1. DESPITE ASSURANCES BY TELEDYNE AND THOSE CITED IN REFS
B AND D, UNCERTAINTIES CONTINUE TO PERSIST HERE AS TO UL-
TIMATE END-USE OF TELEDYNE DIESEL ENGINES, ESPECIALLY IN
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LIGHT OF REPORTS CONCERNING SOUTH AFRICAN DEFENSE FORCE'S

NEED FOR TANK ENGINES AND D/ARMY'S INABILITY TO ASSURE THAT TELEDYNE ENGINES CAN BE EFFECTIVELY AND PERMANENTLY DEMILITARIZED. D/ARMY NOTES THAT SUCH ENGINES COULD BE REVERSE ENGINEERED, THOUGH AT CONSIDERABLE COST, AND USED FOR MILITARY PURPOSES IF PURCHASER SO DESIRED. THEREFORE ADDITIONAL ASSURANCES FROM SAG AND VETSAK WILL BE REQUIRED AS PREREQUISITE FOR FURTHER CONSIDERATION BY USG OF TELEDYNE'S REQUEST FOR EXPORT LICENSE. ADDITIONAL COMMENTS BY DAO PRETORIA ON CURRENT AND PROJECTED SAG DEFENSE NEEDS FOR TANK ENGINES WILL ALSO BE NEEDED.

2. AS RECOMMENDED BY DAO (REF E), EMBASSY IS REQUESTED TO OBTAIN SAG OFFICIAL VALIDATION THAT END-USE OF ENGINES IS FOR POWERING COMMERCIAL VEHICLES AS STATED BY VETSAK AND METPRO. SAG VALIDATION SHOULD INCLUDE FOLLOWING ASSURANCES:

(A) ENGINES WOULD NEVER BE RECONVERTED AND/OR DIVERTED FOR MILITARY PURPOSES;

(B) ENGINES WOULD NOT BE RE-EXPORTED WITHOUT SPECIFIC APPROVAL OF USG.

3. VETSAK/METPRO MUST FURNISH WRITTEN ASSURANCES AUTHORIZING ON-THE-SITE RANDOM EMBASSY MONITORING TO DETERMINE THAT ENGINES HAVE IN FACT BEEN INSTALLED IN COMMERCIAL VEHICLES.

4. WE ALSO WISH ESTABLISH THAT SOUTH AFRICAN DEFENSE FORCES HAVE NO "DISCERNIBLE NEED" FOR USE OF THESE PARTICULAR ENGINES IN TANKS. IN ORDER TO DO SO, WE WOULD APPRECIATE AS DETAILED AN ASSESSMENT BY USDAO AS POSSIBLE ON FOLLOWING POINTS:

(A) CURRENT NEEDS FOR TANK ENGINES FOR EXISTING TANK FLEET:

(B) NEED FOR TANK ENGINES FOR ANY PROJECTED ACQUISITIONS OF TANKS;

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(C) SAG ABILITY TO MANUFACTURE TANK ENGINES AND/OR PURCHASE THEM FROM NON-US SOURCES;

(D) PROJECTED NEEDS FOR AND SOURCES OF ENGINES FOR ANY "MADE IN SOUTH AFRICA" TANKS.

WE REALIZE PART OF ABOVE INFORMATION ALREADY PROVIDED IN REFS B AND E; HOWEVER, ADDITIONAL OR UP-DATED INFORMATION

AND COMMENTS ARE ESSENTIAL TO ENABLE US TO MAKE FINAL
DETERMINATION ON PROPOSED SALE.

5. WITH ABOVE MENTIONED ASSURANCES BY SAG AND VETSAK/MET-
PRO, EMBASSY COMMENTS ON FEASIBILITY OF MONITORING IN-
STALLATION, AND USDAO ASSESSMENT, WE WILL BE ABLE TO CON-
TINUE PROCESSING TELEDYNE'S MC APPLICATION. HOWEVER, IT
MUST BE STRONGLY EMPHASIZED IN DISCUSSIONS WITH VETSAK/
METPRO AND SAG THAT SUBMISSION OF APPROPRIATE ASSURANCES
SHOULD NOT BE TAKEN TO IMPLY THAT FINAL DECISION
ON LICENSE APPLICATION WILL NECESSARILY BE FAVORABLE. INGERSOLL

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